

APPENDIX II
Contract No. HW-CT-693

Pricing Formula
Period: 1 January 1959 - 30 June 1959

Manufacturing Labor

| | |
|-----------------------------|---------------|
| Assembly | at \$1.66/hr. |
| Machine Shop | at 2.06/hr. |
| Sheet Metal Shop | at 2.04/hr. |
| Transformer Shop | at 1.80/hr. |
| Paint Shop | at 2.06/hr. |
| Finishing | at 1.95/hr. |
| Welding | at 2.68/hr. |
| Inspection | at 1.95/hr. |
| Quality Control Engineering | at 2.33/hr. |
| Testing | at 2.21/hr. |
| Shipping | at 1.96/hr. |
| Prototype | at 1.70/hr. |
| Mechanical Assembly | at 1.97/hr. |

Total Manufacturing Labor

Manufacturing Overhead at 178% Manufacturing
Direct Labor

Engineering Labor

| | |
|---------------------|---------------|
| Engineering A | at \$5.25/hr. |
| Engineering B | at 3.72/hr. |
| Engineering C | at 2.83/hr. |
| Engineering D | at 6.69/hr. |
| Design and Drafting | at 3.01/hr. |
| Technicians | at 2.22/hr. |
| Model Shop | at 2.74/hr. |
| Env. Test Lab. | at 2.91/hr. |

Total Engineering Labor

Engineering Overhead at 114% Engineering Direct
Labor

Total Labor and Overhead

| | |
|----------------------------------|-------------------------------------|
| Materials | Actual |
| Inventory Cost | |
| Packaging & Inspection of Spares | At 8.8% based on Inventory |
| Production | Cost - at .5% based on |
| Overages & Short | <u>Inventory Cost and Packaging</u> |

25 YEAR RE-REVIEW

Total Cost to Produce
General and Administrative

at 6% of Total Cost to
Produce

Total Cost
Research and Development

at 1.27% of selling price or
1.40% of cost of sales.

Profit

at 10% of Total Cost

Price

APPENDIX III
Contract No. HF-CT-693

Pricing Formula
Period: 1 July 1959 - 30 June 1960

Manufacturing Labor

| | |
|-----------------------------|---------------|
| Assembly | at \$ 1.79/hr |
| Machine Shop | at 2.22 |
| Sheet Metal Shop | at 2.19 |
| Transformer | at 1.94 |
| Paint Shop | at 2.22 |
| Finishing | at 2.10 |
| Welding | at 2.09 |
| Inspection | at 2.10 |
| Quality Control Engineering | at 2.50 |
| Testing | at 2.37 |
| Shipping | at 2.11 |
| Prototype | at 1.83 |
| Mechanical Assembly | at 2.12 |

Total Manufacturing Labor

Manufacturing Overhead at 178% Manufacturing
Direct Labor

Engineering Labor

| | |
|---------------------|------------|
| Engineering A | at 5.50/hr |
| Engineering B | at 3.89 |
| Engineering C | at 2.97 |
| Engineering D | at 7.00 |
| Design and Drafting | at 3.15 |
| Technicians | at 2.32 |
| Model Shop | at 2.86 |
| Env. Test Lab. | at 3.05 |

Total Engineering Labor

Engineering Overhead at 114% Engineering Direct
Labor

Total Labor and Overhead

| | |
|----------------------------------|--|
| Materials | Actual |
| Inventory Cost | |
| Packaging & Inspection of Spares | At 8.8% based on Inventory Cost |
| Production Overages & Shortages | At .5% based on Inventory Cost <u>and Packaging</u> |

Total Cost to Produce
General and Administrative

at 6% of Total Cost to Produce

Total Cost
Research and Development

at 1.27% of selling price or 1.40%
of cost of sales.

Profit

at 10% of Total Cost

Price

Note 1. In the event supplies called for hereunder exceed \$2,000.00 during this period, the parties hereto agree to review and, if feasible, negotiate new rates for this period.